Resolution No: 16-556
Introduced: May 14, 2008
Adopted: May 14, 2008

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

By: Management and Fiscal Policy Committee

Subject: Collective Bargaining Agreement with Municipal & County Government Employees Organization

Background

1. Section 511 of the County Charter authorizes the County Council to provide by law for collective bargaining, with arbitration or other impasse resolution procedures, with authorized representatives of County Government employees.

2. Chapter 33, Article VII of the County Code implements Section 511 of the Charter and provides for collective bargaining by the County Executive with the certified representatives of County employees and for review of the resulting contract by the County Council.

3. The Executive and UFCW Local 1994, Municipal & County Government Employees Organization, have agreed on amendments to the existing contract for the 3-year period beginning July 1, 2007. Those amendments are attached to this resolution.

4. The Executive has submitted to the Council the terms and conditions of the collective bargaining agreement amendments that require or may require an appropriation of funds or changes in any County law or regulation.

5. The Management and Fiscal Policy Committee considered the amendments on April 21 and May 9, 2008 and recommended approval of all provisions except Article 41.6. The Committee recommended deferring a decision on Article 41.6 until the Committee and Council further review the implementing legislation submitted under that Article.

6. The County Council has considered these terms and conditions and is required by law to indicate on or before May 15 its intention regarding the appropriation of funds or any legislation or regulations required to implement the agreements.

Action

The County Council for Montgomery County, Maryland approves the following resolution:

> The County Council intends to appropriate the funds and approve the changes in law or regulations necessary to implement the amendments to the County employees bargaining unit collective bargaining agreement, except Article 41.6, as specified in the Memorandum of Agreement attached to this Resolution, for the period July 1, 2007 through June 30, 2010. The Council will defer a decision on Article 41.6 until the Council further reviews the implementing legislation submitted under that Article.

This is a correct copy of Council action.

Linda M. Lauer

Linda M. Lauer, Clerk of the Council

Memorandum of Agreement between the Montgomery County Government and the Municipal & County Government Employees Organization/United Food and Commercial Workers Union Local 1994

The Montgomery County Government (Employer) and the Municipal & County Government Employees Organization/United Food and Commercial Workers Union Local 1994 (Union), agree that their collective bargaining agreement effective July 1, 2007, through June 30, 2010, is subject to the amendments shown on the following pages that were agreed upon by the parties pursuant to "reopener" bargaining for the second year under Section 49.2 of the agreement.

Please use the key below when reading this document:

<u>Underlining</u>	*Added to existing agreement*
[Single boldface brackets**]**	*Deleted from existing agreement*
* * *	*Existing language unchanged by parties.*

* * *

<u>Article 21</u>

21.2 <u>Health Benefits</u>

(c) [The "stand-alone" prescription card co-pay will remain at $5.00 for generic and mail-order and $10.00 for brand name. There shall be no reduction in the level of prescription drug benefits.] <u>Effective January 1, 2009, the County shall continue to provide prescription plans (High Option and Standard Option). Bargaining unit employees who select the standard option prescription plan shall pay 20 percent of the total premium cost of the standard option prescription drug plan offered by the employer. The employer shall pay the remaining 80 percent of the total premium cost of the standard option plan. Should the bargaining unit employee select the high option prescription drug plan, the employer shall pay 80 percent of the total premium cost of the standard option prescription drug plan offered by the employer. The bargaining unit employee shall pay the remainder of the high option prescription drug plan premium.</u>

<u>Both prescription plans shall restrict generics. In the event the bargaining unit employee elects to receive a brand medication when a generic medication is available, the member shall pay the cost difference between the brand and generic medication. In the event a physician requires a brand medication, the employee shall not be responsible for the difference in cost.</u>

<u>Both prescription plans shall incentivize mail-order prescriptions. In the event the employee fills a prescription at retail more than twice, rather than utilizing mail-</u>

A1

order, the member shall pay the cost difference.

* * *

Article 41

* * *

Article 41.4 Employee Retirement System

* * *

The County shall submit legislation to accomplish the following: Effective July 1, 2009, increase social security integration multiplier for Group E to 1.65%.

Article 41.6 Board of Investment Trustees

The County shall submit legislation to accomplish the following: Amend Montgomery County Code section 33-59 *Board of Investment Trustees* to increase board membership from 13 trustees to 16 trustees. Two of the additional board members shall be individuals recommended by the exclusive representative of the OPT bargaining unit per the requirements set forth in Section 33-59(b)(3)(A) of the Montgomery County Code. The remaining additional board member shall be appointed per the requirements set forth in Section 33-59(b)(3)(E) of the Montgomery County Code. Further, the president of OPT/SLT shall serve as per the requirements set forth in Section 33-59(b)(2) of the Montgomery County Code.

Article 41.7 Public Safety Employees Retention/Recruitment Committee

The parties agree to establish a joint committee consisting of an equal number of union representatives and employer representatives for the purposes of studying improved recruitment and retention of Public Safety Telecommunicators, including the placement of these employees in the Group E ERS retirement plan. The committee shall discuss and vote upon whether or not to adopt recommendations. The committee shall report to the parties before September 1, 2009.

Article 41.8 Pension Credit and Contributions for Military Service

The County shall submit legislation to accomplish the following: Amend County Code Section 33-41 and relevant personnel regulations. Active employees who are called to duty during employment shall be credited with up to five (5) years of services in the armed forces of the United States towards their County credited service if they return to County service or apply for reemployment and submit proof of military service within one year of leaving military service and without taking other employment. Upon return to County employment, the County agrees to make any required employer and employee contributions for the period of military service. In order for employees to be eligible for this credit, the military service must qualify under the Uniform Service Rights and Reemployment Acts (USERRA).

A2

* * *

ARTICLE 44

[DEFINED CONTRIBUTION PLAN] NON-PUBLIC SAFETY RETIREMENT PLANS

The parties shall jointly submit legislation to accomplish the following:

RSP or Cash Balance Account - GRIP (See Appendix XIX for GRIP Specifications

44.1 [Defined Contribution Retirement Plan] Retirement Options

The parties have submitted legislation to the County Council that would establish a Defined Contribution Retirement Plan for non-public safety employees hired on or after July 1, 1994, and any other employee who desires to transfer to the new system from the existing retirement system.

The parties shall submit legislation to the County Council that would establish a one-time irrevocable choice between the Defined Contribution Retirement Plan (RSP) and the Guaranteed Retirement Income Plan (GRIP) for non-public safety employees hired on or after July 1, 1994.

See Appendix XIX for GRIP Specifications

44.2 Contributions

Employees must contribute 3 percent of base salary up to the FICA maximum, and 6 percent of base salary above the FICA maximum. The Employer will contribute an amount equal to 6 percent of the employees' regular earnings. Effective the first full pay period following July 1, 2008, employees must contribute 4 percent of base salary up to the FICA maximum, and 8 percent of base salary above the FICA maximum. The Employer will contribute an amount equal to 8 percent of the employees' regular earnings.

* * *

44.7 Guaranteed Retirement Income Plan

Effective the first full pay period following July 1, 2009, employee account balances shall be credited with an employer contribution of eight percent of employee's regular earnings. Employees must contribute 4 percent of base salary up to the FICA maximum, and 8 percent of base salary above the FICA maximum. The Board of Investment Trustees shall direct investments under the Plan per the ERS. The employer shall annually (effective the first full pay period following July 1st) credit each account with an investment credit of 7.25%.

The employee will be 100% vested in the Employer contributions and investment credits after 3 years of participation.

Employees electing to participate in GRIP rather than RSP shall also receive the benefits

A3

listed in 44.5 and 44.6 of this article.

For employees hired on or after July 1, 2009, employees shall be offered a one time irrevocable choice between the RSP with the contributions as enumerated in Article 44.2 or the GRIP. Employees must make an election 150 days from the date of employment, to be effective as of the first full pay period following the 180 days. If the employee fails to make an election, the employee will automatically be enrolled in the RSP upon the expiration of the 180 day period.

44.8 Post-Employment Group Insurance Committee

The parties agree to establish a joint committee consisting of an equal number of union representatives and employer representatives for the purposes of studying insurance cost saving measures regarding post-employment group insurance, including eligibility, premium share for employees hired on or after 7/1/08, and coverage. The committee shall report to the parties before September 1, 2009.

A4

IN WITNESS WHEREOF, the parties hereto have caused their names to be subscribed by their duly authorized officers and representatives this 28 day of November.

Municipal and County Government Employees Organization, UFCW Local 1994, AFL-CIO	Montgomery County Government Montgomery County, Maryland
By: Gino Renne Gino Renne President	By: Isiah Leggett Isiah Leggett County Executive
Shara V. Burrell Approved for Form and Legality County Attorney	

A5

APPENDIX XIX
Guaranteed Retirement Income Plan
(November 13, 2007)

Plan Provisions	Description
Name of Plan	Guaranteed Retirement Income Plan ("GRIP")
Type of Plan	Cash Balance Plan
Plan Effective Date	07/01/2009
Plan Year	July 1 – June 30
Covered Employee	Includes any person employed by Montgomery County, Maryland who is included in the following bargaining units represented by Municipal and County Government Employees Organization, United Food and Commercial Worker, Local 1994: • Office, Professional, and Technical (OPT) • Service, Labor and Trades (SLT) An employee will only be considered a "covered employee" during the period that they are a member of one of the above bargaining units. If an employee transfers to a position that is not covered by the Plan, the employee will cease to participate in the Plan (but will retain their "account" under the Plan) and will become a participant in whatever plan is offered relative to their new position.
Participation Requirements	• Each full-time employee hired on or after July 1, 2009, can make a one-time irrevocable election during the first 150 days of employment to either participate in the GRIP or the RSP

	(with such participation to commence on the first payroll period following 180 days of employment). • A part-time or temporary employee who becomes a full-time employee on or after July 1, 2009 can make a one-time irrevocable election during the first 150 days of full-time employment to either participate in the GRIP or the RSP (with such participation to commence on the first payroll period following 180 days of full-time employment). • A career part-time employee may enroll in the Plan, but is not required to do so. • Employees hired prior to July 1, 2009 who participate in the Retirement Saving Plan may make an irrevocable election to participate in the Plan effective the first full pay period following July 1, 2009. Such election must be made during a 150 day window that commences on January 1, 2009 and ends on May 31, 2009. **For purposes of vesting, time spent in the RSP will be credited toward the 3 year vesting requirement in GRIP.**
County Contribution	8% of Regular Earnings each payroll period.
Employee Contribution	4% of Regular Earnings (pre-tax) each payroll period (up to the FICA maximum) and 8% of Regular Earnings above the FICA maximum.
Guaranteed Investment Rate	7.25%, credited from date of contribution.
Regular Earnings	Gross pay for actual hours worked exclusive of overtime, without reduction for participant contributions that are picked up, or contributions to any County deferred compensation plan or statutory fringe benefit program. Amount of Regular Earnings taken into account is subject to IRC section 401(a)(17) limit on compensation.
Vesting Schedule	Employee Contributions 100% at all times County Contributions

A7

	0-3 years of Credited Service – 0% vested 3 or more years of Credited Service – 100% vested A participant will also become 100% vested on attainment of normal retirement age, death or disability.
Disability	Inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months.
Forfeitures	Applied against County funding obligations.
County Service	County service means any period of County employment as a Covered Employee during which the participant is in pay status.
Credited Service	Each year of County service during which a Covered Employee was a participant in the Plan.
Normal Form of Benefit	Lump sum
Optional Forms	• Direct rollover • Life Annuity No other options (including guaranteed period options or joint and survivor options) will be offered under the Plan.
Small Benefit Cash Out	$1,000
Actuarial Equivalent	For annuity form – The greatest life annuity that can be purchased with the participant's account from one of the three specified insurance companies; provided, however, that if the IRS determines that such provision does not comply with the requirements of IRC section 401(a) of the Internal Revenue Code, then the annuity will be equal to 95% of the annuity produced by converting the lump sum account to a life annuity using the mortality table published by the IRS

A8

	pursuant to IRC section 430(h)(2) and the interest rate determined under IRC section 430(h)(2)(B).
Normal Retirement Date	Age 62 with at least 3 years of credited service.
Early Retirement Date	Not applicable
Vested Terminated Benefits	Vested benefits are payable at separation from service.
Pre-retirement Death Benefits	Participant's accrued benefit is payable to his or her designated beneficiary in a single lump sum.

A9